

## APPENDIX D

NAF PAY ADMINISTRATION  
(Hourly Paid Employees )

A. GENERAL

1. Purpose. This Appendix supplements and complements governing pay policies and procedures prescribed by the Office of personnel Management (**OPM**) in FPM Supplement 532-2, subchapter s8, NAF pay Administration. While subchapter s8 applies only to Nonappropriated, Nonappropriated Leader, and Nonappropriated Supervisor (**NA-NL-NS**) positions and employees (that is, "prevailing rate," Crafts and Trades (CT)) in accordance with the provisions of this Manual, instructions contained in subchapter s8 have been made generally applicable to Administrative Support (AS) and Patron Services (**PS**) positions and employees. "Generally applicable" means that the legal requirements and policies enunciated by OPM and which also incorporate appropriate Comptroller General decisions for NAF "prevailing rate" positions shall also apply to AS and PS categories. Appendix A of this Manual provides guidance concerning pay policies and procedures for Universal Annual (**UA**) positions and employees.

2. Responsibility. DoD Components shall integrate the instructional and explanatory material in this Appendix into their internal NAF pay administration directives.

3. Format. The clarification and examples are numbered and lettered, with pertinent headings also provided for easy reference to the corresponding sections of FPM Supplement 532-2, subchapter s8, and they should be reviewed when **the** provisions of that document are being applied.

4. Future Amendments. As additional clarification of FPM Supplement 532-2, subchapter s8 and related instructions become warranted, the Appendix will be amended.

B. SECTIONS OF SUBCHAPTER S8 CLARIFIED1. GENERAL (S8-1)

a. Introduction (S8-1.a). For purposes of subchapter S8 and this Appendix, the term "lead agency" means the DoD Wage Fixing Authority.

b. Agency Responsibility (S8-1.b). "Agency" as used in this Appendix includes DoD Components, as defined in this Manual. Unless authority is delegated to subordinate levels, Component headquarters are responsible for (1) defining the period of seven consecutive calendar days that make up each employees administrative workweek, and (2) determining each employee's basic workweek. (See definitions of these terms under section S8-2.)

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<sup>1</sup> TO BE USED ONLY IN CONJUNCTION WITH FPM SUPPLEMENT 532-2, s8. Section and paragraph titles within this Appendix are followed by parenthetical references to the part of **FPM** Supplement 532-2, S8 being discussed.

2\* DEFINITIONS ( S8-2 )

a. Scheduled Rate of Pay (S8-2.a.(2)). This is any rate corresponding to the appropriate grade and step on the **NA, NL**, NS, AS, or PS wage schedules issued by the DoD Wage Fixing Authority, including a retained rate of pay and rate on temporary promotion when applicable.

b. Employee (S8-2.a.(3))

(1) NAF Prevailing Rate Employee. This term is used interchangeably with the term "NAF Crafts and Trades" employee. An employee of a **DoD NAFI** who is employed in a recognized craft or trade or other skilled mechanical craft, or in an unskilled, semiskilled, or skilled manual labor occupation, and any other individual, including a foreman and a supervisor, in a position having craft, trade, or laboring experience and knowledge as the paramount requirement.

(2) In Chapter III of this Manual the definition of "employee," as used in subchapter s8, has been extended administratively to include:

(a) Administrative Support (AS) Employee. This category includes those employees who perform clerical, secretarial, and administrative work that is of an office or **nonmanual** nature, and who are paid on an hourly pay schedule.

(b) Patron Services (PS) Employee. This category includes those employees who perform work requiring skill and knowledge in selling food and retail merchandise and in providing personal, recreational, and amusement services, as well as a variety of other morale support activities. They are paid on an hourly pay schedule.

(3) The term "nonwage," where used, means Universal Annual.

c. Highest Previous Rate (S8-2.a.(6)). For the purpose of setting rates for employees in NAF positions, the term "highest previous rate" will include those pay rates previously paid to employees in AS, PS, or **UA** positions, in addition to **NA, NL**, and NS positions.

d. Representative Rate (S8-2.a.(7)). The term "General Schedule," as used in this definition, also means the **UA** schedule.

e. Promotion (S8-2.a.(8)). The term "General Schedule," as used in this definition, also means the **UA** schedule.

f. Change to Lower Grade (S8-2.a.(9)). The term "General Schedule," as used in this definition, also means the **UA** schedule.

g. Premium Pay (S8-2.a.(14)). This term means additional compensation for overtime work, Sunday work, and standby duty, as well as callback overtime work and holiday work.

h. Basic Workweek (S8-2.a.(17)). An employee's basic workweek, as defined, shall always be scheduled in advance of the 1st day of the administrative workweek in which it occurs.

i. Overtime Work (S8.2.a.(19)). In addition to the regular definition of overtime work contained in subchapter s8, under the Fair **Labor** Standards Act (applicable only to "nonexempt employees"), overtime work separately means any hours worked, whether scheduled, ordered, or "suffered or permitted," that exceed a total of 40 hours of actual work performed in a week. (See paragraph **B.4.b.** of this Appendix for further discussion.)

j. Night Shift (S8-2.a.(23)). Regularly scheduled nonovertime work when a majority of the whole hours of such work occurs between 3 p.m. and midnight (second shift), or between **11 p.m. and 8 a.m. (third shift)**.

### 3. APPLICATION OF PAY RATES TO NAF WAGE EMPLOYEES (S8-3)

NOTE : Whenever reference is made to GS rates under section s8-3, that reference also means UA rates.

a. Rates payable (S8-3.a). Reference to "each employee occupying a wage job" applies equally to employees occupying AS and PS positions. (However, for grade and pay retention determinations, refer **to** (1) subchapter s9 of FPM Supplement 532-2; subchapter VI of Chapter 53 of Title 5, United States Code; Part 536 of Title 5, **Code** of Federal Regulations; Book 536 of FPM Supplement 990-2; and FPM Letters and Bulletins in the 536 series for instructions applicable to federal wage (CT) employees, and (2) Chapter III, subparagraphs **B.2.d.(1)(b)** and **B.2.d.(2)(c)** of this Manual for instructions applicable to AS, PS, and UA employees.)

#### b. New appointments (S8-3.b.)

(1) Appointments above minimum rates in recognition of special qualifications (S8-3.b.(1)). DoD **NAFIs** may exercise the authority contained in this paragraph.

(2) Appointments above minimum rates for jobs in specific **hard-to-fill** occupations (S8-3.b.(2)). The term "Federal wage schedule," as used in this subparagraph, includes NA, NL, NS, AS, and PS wage schedules. A particular finding that a local NAP activity cannot recruit at the minimum rate may be based on a study by the Department of Defense, a DoD Component, or any local installation that has NAP employees.

(3) S8-3.b.(3). The term "lead agency," as used in this subparagraph, means DoD Wage Fixing Authority.

c. Position or appointment change (S8-3.c.). DoD **NAFIs** may exercise the authority provided under this paragraph to set an employee's step rate based on his or her "highest previous rate," but only in connection with those personnel actions identified within the paragraph. (See paragraph **3.d.**, below, for an illustration of the computation and application of the highest previous rate rule.)

#### d. Computation of highest previous rate (S8-3.e.)

(1) S8-3.e.(5). The following is intended to illustrate **subparagraph S8-3.e.(5)**. (**Note:** Although the example below uses NA grades, the **saute** principle also applies to NL, NS, AS, and PS grades.)

## EXAMPLE

An employee in New York, NA-8 Step 1 , was reemployed in Washington, D.C., at the NA-7 grade level. Pertinent wage schedule rates are as follows:

		<u>STEP RATES</u>				
		1	2	3	4	5
NEW YORK	NA-8	<u>\$7.78*</u>	\$8.13	\$8.45	\$8.78	\$9.09
WASHINGTON, D.C.	NA-8	<u>\$7.55</u>	\$7.87	\$8.18	\$8.49	\$8.81**
WASHINGTON, D.C.	NA-7	\$7.06	\$7.36	\$7.65	<u>\$7.94</u>	\$8.23**

\* Previously earned rate

\*\* Current rates in the wage area where the employee is being employed

Steps to be followed:

Compare the **NA-8**, step 1 rate (\$7.55) in Washington, D.C., with the employee's previous earned rate (\$7.78). In this instance, the previous earned rate is the higher; therefore, this rate is the employee's highest previous rate. Thus, the employing DoD NAFI may pay this employee at any rate of the grade NA-7 (the grade at which reemployed) that does not exceed the fourth step rate. (Since the employee's highest previous rate (\$7.78) falls between two steps of the grade NA-7 (steps 3 and 4), the employee shall be paid at a rate that does not exceed step 4.) In no case shall an employee be paid more than the top step of the grade in which reemployed, irrespective of the employee's highest previous rate.

(Note: A **NAF** employee has no vested right on reemployment to receive his or **her highest** previous rate of pay. It is within the administrative discretion of the **designated** official with delegated authority to fix the employee's rate at the minimum step rate of the grade, or at any step rate in between. However, a DoD Component may adopt a policy of always using the highest previous rate, or requiring that an employee on reemployment shall be placed at the first step rate of the grade.)

(2) **S8-3.e.(6)**. For purpose of this subparagraph (**S8-3.e.(6)**), the term "General Schedule" also means Universal Annual schedule.

e. Effective date (**S8-3.f.(1)**). The effective date referred to in the subparagraph shall normally be the 1st day of the **1st** pay period after the action is approved. The term "agency" as used in the subparagraph means DoD Component or any subordinate entity to which authority has been delegated.

f. Administrative error (**S8-3.k.**). The term "agency administrative policy," as used in this paragraph, refers to the published policy or clearly established, consistent practice of a given DoD Component, or any subordinate entity to which authority has been delegated.

4. NIGHT SHIFT DIFFERENTIAL AND PREMIUM PAY ( s8-4 ) .

a. General (S8-4.a.). The term "premium pay," as used in this <sup>sub-</sup>section, refers to additional compensation for overtime, holiday, and Sunday work, as well as for standby or on call duty and callback overtime work.

NOTE : For purposes of all premium pay computations under S8-4, where there is a reference to payline rate or representative rate, the employee's actual grade and step are to be used. (For example, see discussion under 4.b.(3) below, which explains S8-4.b.(8).

b. Overtime pay (S8-4.b.). Entitlement to overtime pay is authorized in accordance with the provisions of Title 5, **U.S.C.** as described in FPM Supplement 532-2, section s8-4, and amplified in this Appendix. However, consideration also must be given to the overtime provisions of the Fair Labor Standards Act (**FLSA**), as prescribed in FPM Letters, 551 series. (Employees covered by FLSA are referred to as "nonexempt." Such employees are entitled to overtime pay under whichever legal authority provides the greater benefit.)

NOTE : Subchapter s8 only speaks to the overtime provisions of Title 5. Therefore, the examples regarding overtime, which follow, illustrate overtime pay entitlements strictly under those provisions. The examples do not apply to any FLSA overtime entitlements. Since nonexempt employees are entitled to whichever is the greater overtime pay benefit, **as** provided by either law, **it** is necessary to carry out dual calculations in order to make that determination. Examples of such dual calculations are contained in FPM Letters, series 551.

(1) Work exceeding 8 hours in a day (S8-4.b.(3)). The following examples are intended to illustrate the pay entitlements authorized by this subparagraph;

EXAMPLE I

Four 10-hours day. Employee works from 7 a.m. to 6 p.m. Tuesday through Friday. (Note: Under those circumstances wherein a Component has authorized the use of flextime or compressed time, the provisions of **P.L.** 96-196 will apply.

Computation

	Compensable hours						
	S	M	T	W	T	F	S
Scheduled hours			10	10	10	10	
Basic rate (scheduled rate plus environmental/night shift differentials, if applicable).			8	8	8	8	
Overtime rate (one and one-half times the basic rate).			2	2	2	2	
							Total
							40
							32
							8

EXAMPLE II

Four 9-hour days and one 4-hour day. Employee works from 7 a.m. to 5 p.m. Tuesday through Friday and 7 a.m. to 11 a.m. on Saturday. Employee has a 1-hour meal period Tuesday through Friday, none on Saturday. Overtime pay is computed as follows:

	Compensable hours						
	S	M	T	W	T	F	S
Scheduled hours			9	9	9	9	4
Basic rate (scheduled rate plus environmental/night shift differentials, if applicable).			8	8	8	8	4
Overtime rate (one and one half times the basic rate).			1	1	1	1	4

(2) Computing overtime pay for night work (S8-4.b.(7)).

(a) The following examples are intended to illustrate the pay entitlements authorized by subparagraph S8-4.b.(7)(a).

EXAMPLE I

The following illustrates the computation of overtime pay for employees who are regularly working a night shift for which the shift differential is payable, when the overtime period falls within the day shift:

An employee's regular schedule requires that work be performed between the hours of 11 p.m. and 7:30 a.m., Monday through Friday. On Tuesday the employee performs overtime work from 7:30 a.m. until 11:30 a.m. Overtime pay is computed as follows:

Commutation

	Compensable hours						
	S	M	T	W	T	F	s
Basic rate (scheduled rate plus 10% shift differential)		8	8	8	8	8	
Overtime rate - one and one-half times the basic rate (scheduled rate plus 10% shift differential)			4				

EXAMPLE II

The following illustrates the computation of overtime pay when an employee performs overtime work on a day not regularly scheduled as a workday for the employee or for the organization.

The organization operates a 24 hours a day, Monday through Friday operation. The employee's regular schedule is Monday through Friday 3 p.m. to **11:30** p.m. Overtime work was performed on Saturday, 8 a.m. to **12** noon. Overtime pay is computed as follows:

Computation

Organization Workdays	Compensable hours						*	Total
	M	T	W	T	F	S		
Basic rate (scheduled rate plus <b>7 1/2%</b> shift differential)	8	8	8	8	8			<b>40</b>
Overtime rate - one and one-half times the basic rate (scheduled rate plus 7 1/2% shift differential)							4*	4

\*Not a scheduled workday for the organization or the **employee**.

EXAMPLE III

The following also illustrates the computation of overtime pay when an employee performs overtime work on a day not regularly scheduled as a workday for the employee or for the organization.

The organization operates a 24 hours a day, Monday through Friday operation. The employee's regular schedule is **3:30** p.m. to **12** midnight, Monday through Thursday, and **7:30** a.m. to 4 p.m. on Friday. Overtime work was performed on Saturday, 9 a.m. to 1 p.m. Overtime pay is computed as follows:

Computation

Organization Workdays	Compensable hours						*	Total
	M	T	W	T	F	S		
Basic rate (schedule rate plus <b>7 1/2%</b> shift differential for Monday through Thursday only)	8	8	8	8	8			<b>40</b>
Overtime rate - one and one-half times the basic rate (scheduled rate only)**							4*	4

\*Not a scheduled workday for the organization or the **employee**.

\*\*No shift differential added, because the scheduled shift prior to the **overtime** was a day shift. This would be true even if the overtime hours were, for example, 4 p.m. to 8 p.m.

EXAMPLE IV

The following illustrates the computation of overtime pay for an employee performing overtime work on a day other than a regularly scheduled workday for the employee, but one which is a regular workday for the organization.

The organization operates a 24 hours a day, 7 days a week operation. An employee's regular schedule is Tuesday through Saturday, 8 a.m. to 4:30 p.m. The employee performs 4 hours of overtime work on Monday between the hours of 8 p.m. and 12 midnight. Overtime pay is computed as follows:

Computation

	Compensable hours							
	S	M	T	W	T	F	S	Total
Basic rate (scheduled rate only)			8	8	8	8	8	40
Overtime rate - one and one-half times the basic rate (scheduled rate plus 7-1/2% shift differential)		4						4

(b) The next two examples deal with overtime pay for employees with regularly rotating tours as authorized under **sub-paragraph S8-4.b.(7)(b)**.

EXAMPLE I

The following illustrates the computation of overtime pay for a NAF employee who has a regularly rotating tour of duty which includes two or more shifts, and who performs overtime work on a regularly scheduled workday.

An employee's regular schedule rotates on a weekly basis between the hours of 7 a.m. and 3:30 p.m.; 3 p.m. and 11:30 p.m.; and 11 p.m. and 7:30 a.m., Monday through Friday. Overtime work is performed on Tuesday during the week that the employee is working the first shift (7 a.m. to 3:30 p.m.). Overtime pay is computed as follows:

Computation

The scheduled rate (shift differential does not apply) is multiplied by 1.50 to determine the overtime rate. The overtime rate is then multiplied by the number of overtime hours. (Note: If overtime work is performed on a day during the following week, when the employee is working the second shift (3 p.m. to 11:30 p.m.), the computed overtime rate would be one and one-half times the scheduled rate plus the 7-1/2% shift differential.)

EXAMPLE II

When an employee who works two different shifts on a scheduled rotating basis during each week performs overtime work on a day other than a regularly scheduled workday, overtime pay is computed as follows:

	<u>MTW</u>	<u>TF</u>
Employee's regular schedule	3 p.m. - 11:30 p.m.	11 p.m. - 7:30 a.m.

Overtime hours worked on Saturday, 8 a.m. to 12 noon.



### Computation

(Note: Overtime pay is computed on the basis of the average rate of basic pay for the regularly scheduled shifts worked by the employee.)

Monday, Tuesday, Wednesday. - 24 hours - Basic rate (scheduled rate plus  
7-1/2% shift differential)  
Thursday, Friday ----- 16 hours - Basic rate (scheduled rate plus  
10% shift differential)

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SUM divided by 40 hours equals AVERAGE BASIC RATE

x  
1.50 equals the OVERTIME RATE  
x  
overtime hours worked

( 3 ) Computing overtime pay for NAF employees paid on other than a time rate basis (S8.4. b.(8)). For those who are paid from a NAF regular wage schedule or agency **multistep** special schedule, computation of overtime payments is based on the employee's grade and step if he or she is on a **multistep** rate schedule before any reduction in consideration of tips. The amount of the tip offset (no more than 40% of the current **FLSA** minimum hourly rate, or State or local rate, whichever is higher) may then be deducted from the overtime rate, but only where the offset has been authorized for use by the appropriate component level and is not precluded when State or local laws are considered as required by Section 18 (a) of the **FLSA** (29 **U.S.C.** 218 (a)).

### EXAMPLE

The waiter who receives tips, and has an authorized tip offset of \$.90 per hour, performs 2 hours of overtime work. Employee is regularly scheduled to work from 3 p.m. to 12 midnight, Tuesday through Saturday. On Saturday, the employee works overtime from 12 midnight to 2 a.m. Overtime is computed as follows:

	Compensable hours							
Organization Workdays	S	M	T	W	T	F	S	Total
Scheduled hours			8	8	8	8	8	40
Basic rate (scheduled rate plus 7-1/2% shift differential)			8	8	8	8	8	40
Overtime rate - one and one-half times the basic rate (scheduled rate plus 7-1/2% shift differential) (minus the tip offset)							2*	2*

\*As the **employee** has a tip offset of \$.90 per hour and earned sufficient tips to cover the amount, this amount is subtracted from the overtime rate before multiplying by the number of hours worked.

**(4) Computation of overtime worked (S8-4.b.(9))**

Leave with pay. The following illustrates the computation of overtime hours when an employee is in a "leave with pay status." (Note: Applies only to "regular full-time" and "regular part-time" employees as defined in this Manual.) .

**EXAMPLE**

An employee has a regularly scheduled workweek of 40 hours, Monday through Friday, 8 a.m. to 4:30 p.m. The employee takes annual leave from 8 a.m. to 4:30 p.m. on Tuesday. Four hours of work are performed outside the employee's basic workweek on Saturday. Overtime hours are computed as follows:

**Computation**

	Compensable hours						
	S	M	T	W	T	F	S
Hours of work		8		8	8	8	
Approved annual leave			8				
Overtime hours worked							4

Total: 32 hours of work performed  
 -8 hours of approved annual leave  
 40 scheduled hours (basic workweek)  
 4 overtime hours

(Note: The previous illustration describes only the provisions of title 5, U.S. Code. In accordance with the provisions of the FLSA, overtime pay is only provided for those hours actually worked, over 40 in a week. Excused absences with pay, that is, holiday time off, sick or annual leave, and the like are not considered hours of work. Therefore, in the example provided above, a nonexempt employee would have no overtime entitlement under FLSA. See FPM Letters, series 551, for further information.)

c. Night shift differential (S8-4.c). Majority of hours, as used in subsection **S8-4.c.** means majority of whole hours. (Hours are considered to be periods of 60 minutes.) This means there must be a minimum of 5 whole hours of a scheduled 8-hour shift that fall during the period covered by a night shift differential in order to qualify for such payment for the entire shift.

(1) Part-time and intermittent employees (S8-4.c.(5)). These categories of employees are entitled to night shift differentials when the majority of their whole hours are worked during a period in which a night shift differential is payable.

**EXAMPLE I**

An employee is regularly scheduled to work a period commencing at 2 p.m. and ending at 8 p.m. Since the majority of whole hours were worked during a period for which the night shift differential of 7-1/2% is payable, the employee is entitled to that differential for his or her entire shift.

EXAMPLE II

An employee is regularly scheduled to work a period commencing at 1 p.m. and ending at 5:30 p.m. Since the employee performed 2 hours of work before the night shift period, and only 2-1/2 hours within the night shift period, the employee would not be entitled to the shift differential. (In order for this employee to qualify for the differential, he or she must perform 3 whole hours of work during the applicable night shift period.)

(2) Split shifts (S8-4.c.(6)). The following examples illustrate night shift differential entitlements under the "majority of whole hours" concept when an employee's tour of duty (a) overlaps more than one established shift, or (b) includes a break of more than 1 hour within a "scheduled basic workday."

EXAMPLE I

An employee works an 8-hour shift from 8 p.m. to 4 a.m. with a 20-minute paid meal period. The employee works 3 hours in the second shift (7-1/2% differential) and 5 hours in the third shift (10% differential) and will be paid a 10% differential for all 8 hours since a majority of whole hours falls within a period for which the 10% night shift differential is payable.

EXAMPLE II

An employee who works 4 hours during the second shift (7-1/2% differential) and 4 hours in the third shift (10% differential) will be paid a 7-1/2% differential for the entire shift since a majority of hours is not worked during the third shift. The 7-1/2 percent differential is paid because a majority of hours is worked during a period in which a night shift differential is payable.

EXAMPLE III

An employee who is authorized to work 3 hours during the third shift, 3 hours during the first shift and 2 hours during the second shift (that is, 5 a.m. to 11 a.m. and 3 p.m. to 5 p.m.) is entitled to a 7-1/2% night shift differential for all 8 hours since a majority of his or her regularly scheduled hours of work fall within a period during which a night shift differential is payable. The 10% differential is not paid since a majority of his or her regularly scheduled 8-hour shift does not specifically fall within the period of 11 p.m. to 8 a.m.

EXAMPLE IV

An employee performs work from 10 a.m. to 12 noon, and during the same day performs work between 4 p.m. and 8 p.m. Hours worked each day total 6 hours with the employee performing 4 hours of work during the established night shift period. This employee is entitled to the 7-1/2% night differential for all hours of work performed (that is, 6 hours).

(3) Meal breaks (S8-4.c.(7)). The following examples illustrate how meal breaks of 1 hour or less are included in the computation of "majority of whole hours."

EXAMPLE I

An employee works an 8-hour shift from 11 :30 a.m. to 8 p.m. The meal break is set from 3:30 p.m. to 4 p.m., and is included in the 5-hour period from 3 p.m. to 8 p.m. The resulting majority of whole hours entitles the employee to a 7-1/2% shift differential.

EXAMPLE II

If the employee's shift is from 11 a.m. to 7:30 p.m., with a meal break from 3 p.m. to 3:30 p.m., no shift differential is paid, since there is no majority of whole hours between 3 p.m. and midnight; that is, he or she is credited with only 4-1/2 hours during the second shift.

EXAMPLE III

An employee who works from 7 p.m. to 3:30 a.m. with a meal break from 11 p.m. to 11:30 p.m. is paid a 7-1/2% differential for all 8 hours since a majority of his or her hours are worked during a period in which a night shift differential is payable. The 10% differential is not paid because even when the meal period is counted, a majority of the employee's regularly scheduled 8-hour shift does not specifically fall within the period of 11 p.m. to 8 a.m.

d. Pay for Holidays (S8-4.d.).

(1) Pay for work performed on a holiday (S8-4.d.(2)). The following examples are intended to illustrate the pay entitlements authorized by subparagraph S8-4.d.(2).

EXAMPLE I

An employee's regularly scheduled workweek is 8 a.m. to 4:30 p.m., Monday through Friday. Monday is a holiday, and the employee is required to work 8 hours on that day. Holiday premium pay is computed as follows:

	Compensable hours						
	M*	T	W	T	F	Total	
Regularly scheduled workweek							
Basic rate (scheduled rate only)	8	8	8	8	8	4	0
Premium pay - equal to the employee's basic rate	8						8

\*Holiday

Notes: (1) The employee is paid for all regularly scheduled work hours at his or her basic rate. Premium pay at a rate equal to his or her basic rate is paid for the number of nonovertime hours worked on the holiday.

(2) If the employee does not work on the holiday, but instead is excused from work, the employee is simply paid his or her basic rate for the number of regularly scheduled hours normally worked.

- (3) If the employee is excused on the holiday, and if a shift differential would otherwise have been earned because of the employee's regular schedule of work, the shift differential is retained in the basic rate for that day.

#### EXAMPLE II

A regular, full-time employee's workweek is 11 p.m. to 7:30 a.m., Tuesday through Saturday. Monday is a designated holiday in a given calendar week, and the employee is required to work that day. For the purposes of this example, Tuesday is the employee's "in lieu" holiday. The employee also works 8 hours on Tuesday. Premium pay is computed as follows:

	Compensable hours						
	-----						
Regularly scheduled workweek	M	T	W	T	F	S	Total
Basic rate (scheduled rate plus 10% differential)		8	8	8	8	8	<b>40</b>
Holiday premium pay (scheduled rate plus 10% shift differential)	8						8
Overtime - one and one-half times the basic rate (scheduled rate plus 10% night differential)	8*						

\*Since the employee's regularly scheduled workweek consists of 40 hours, Tuesday through Saturday, Monday becomes the overtime period because it is outside the employee's basic workweek.

#### EXAMPLE III

An employee's regularly scheduled workweek is 9 a.m. to 5:30 p.m., Monday through Friday. Monday is a holiday, but the employee is required to perform 10 hours of work. Premium pay is computed as follows:

	Compensable hours						
	-----						
Regularly scheduled workweek	M*	T	W	T	F	S	Total
Basic rate (scheduled rate only)	8	8	8	8	8		<b>40</b>
Holiday premium pay (equal to basic rate)	8						8
Overtime - one and one-half times basic rate	2						2

\*Holiday

EXAMPLE IV

A part-time employee, who is entitled to observe a holiday, has a regularly scheduled workweek which is 9 a.m. to 4 p.m. (no meal period during which employee is entirely free from work requirements), Monday, Wednesday, and Friday. Monday is a holiday, and the employee is required to perform 3 hours of work on that day. Holiday premium pay is computed as follows:

		Compensable hours								
		-----								
Organization	Workdays	S	M*	T	W	T	F	S	Total	
Scheduled hours		7		7			7		21	
Basic rate (scheduled rate only)		7		7			7		21	
Holiday premium pay (equal to basic rate)			3**							3

\*Holiday

\*\*If the employee had performed 10 hours of work on the holiday, 2 of those hours would be treated as overtime. (See EXAMPLE III above.)

e. Pay for Sunday work (S8-4.e.).

(1) Authorization of pay for Sunday work (S8-4.e.(1)). The following illustrates the computation of Sunday premium pay:

EXAMPLE

An employee who is on a basic workweek of 40 hours per week and whose work schedule for the week includes a workday which begins at 6 p.m. on Saturday and ends at 2:30 a.m. Sunday is entitled to Sunday premium pay for that workday, computed as follows:

8 hours - basic rate (scheduled rate plus 7-1/2% night shift differential)

8 hours - Sunday premium pay at a rate equal to 25% of the basic rate

(2) Entitlement S8-4.e.(3). Only a "full-time" employee with a basic workweek of 40 hours is entitled to Sunday premium pay. Under the provisions of this Manual, "regular full-time employees" and "temporary full-time employees" have regularly scheduled workweeks of 35 or more hours. Therefore, not all NAF "full-time" employees will be entitled to Sunday premium pay, even if they have an 8 hour workday scheduled on Sunday.

(3) Two separate tours of duty (S8-4.e.(4)). The following example illustrates the computation of Sunday premium pay when two Sunday tours of duty fall in part on the same Sunday:

EXAMPLE

An employee on a 40-hour basic workweek works a regularly scheduled night shift from 5 p.m. to 1:30 a.m. (with 1/2 hour meal break); one shift begins at 5 p.m. on Saturday and ends 1:30 a.m. on Sunday and the next begins 5 p.m. on Sunday

and ends 1 :30 on Monday. The employee is entitled to Sunday premium pay for both tours (total 16 hours), computed as follows:

- 16 hours - basic rate (scheduled rate plus 7-1/2% night shift differential)
- 16 hours - Sunday premium pay at a rate equal to 25% of the basic rate

5. WITHIN GRADE INCREASES - WAITING PERIOD (S8-5.b)

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Waiting period for full-time, part-time, and intermittent employees with prearranged regularly scheduled tours of duty (NA, NL, NS, AS, PS):  
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Employee advances to step rate no.	at the end of a waiting period of creditable service in the previous step, of .....	provided the number of workweeks in a nonpay status during the waiting period does not exceed. . . .*
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2	26 calendar weeks	1 workweek
3	78 " "	3 "
4	104 " "	4 "
5	104 " "	4 "

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\*LWOP in excess of these amounts must be made up with creditable service before the within-grade increase is effected.

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Waiting period for intermittent employees without prearranged regularly scheduled tours of duty ( IOC)(NA, NL, NS, AS, PS ):  
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Employee advances to step rate no.	when the employee has worked . . . . .*	over a period of no fewer than.. . .
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2	130 workdays in a pay status	26 calendar weeks
3	390 " M	78 calendar weeks
4	520 " "	104 " "
5	520 " "	104 " "

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\*Any day on which "part-time service" is performed constitutes a full workday of credit. (Only the days on which service is performed are counted for employees without a prearranged regularly scheduled tour of duty.)